

State of Michigan

Department of Treasury



International Fuel Tax Agreement

Information Manual

January 2004

TABLE OF CONTENTS

Introduction	2
What's New	2
Amendments to the Motor Fuel Tax Act	2
Amendments to the Motor Carrier Fuel Tax Act	2
Contact Information	3
Definitions Motor Carriers Should Know	3
IFTA Credentials	
IFTA Licensing	4
License and Decals	4
Applications	5
Temporary Permits	5
Trip Permits	5
Cancellation of License	5
Quitting a Business	5
Records & Tax Reports	
Record Keeping	5
Mileage Records	6
Fuel Purchase Records	6
On The Road Purchases	6
Fuel Tax Reporting	7
Regulated Fuel Types	7
Exempt Vehicles	7
Buses	7
Payments, Refunds and Penalties	
Payment of Tax	8
Late Payments Penalty and Interest	8
Refunds and Assessments	8
Appeal Rights	8
License Revocation	8
License Reinstatement	9
Field Audits	9
Bankruptcy and Bonding	9
Frequently Asked Questions	9

Introduction

Michigan is a member of IFTA (International Fuel Tax Agreement). All 48 states in the continental United States and most Canadian provinces are members of IFTA. Recently the definition of jurisdiction was changed to include a state of the United Mexican States. The purpose of IFTA is to simplify the licensing and tax reporting requirements of motor carriers involved in interstate commerce.

Participation in this agreement is a benefit to interstate motor carriers and the participating jurisdictions. The major advantage is that an interstate motor carriers can acquire IFTA credentials from their base jurisdiction and file one fuel tax report each quarter. This eliminates the additional time and costs of acquiring separate licenses and preparing separate fuel tax reports for each jurisdiction.

What's New?

Amendments to Michigan's Motor Fuel Tax Act and the Motor Carrier Fuel Tax Act, which took effect on April 1, 2003, changed the way the diesel road privilege tax is collected. These amendments affect interstate motor carriers as follows:

Amendments to the Motor Fuel Tax Act:

1. The 6-cents-per-gallon tax discount on diesel fuel, given at time of purchase into "qualified motor vehicles" and into the bulk storage facilities of licensed motor carriers, has been eliminated.
2. Passenger vehicles with a capacity of 10 or more operating under a certificate of authority issued by the state transportation department and meeting certain other criteria may consume dyed diesel fuel on Michigan highways. Persons operating these types of vehicles should call the Customer Contact Division, Special Taxes Unit for advice in this area at (517) 636-4600. **All other vehicles, with the exception of vehicles operated by certain governmental agencies, are prohibited from consuming dyed diesel fuel on our highways. Carriers consuming dyed diesel fuel on the highways are subject to severe penalties.**

Amendments to the Motor Carrier Fuel Tax Act:

1. The 12-cents-per-gallon surcharge has been eliminated. In the Michigan column of the IFTA fuel tax report, licensees will notice there is only one tax rate for Michigan. This rate will be updated quarterly.
2. "Qualified motor vehicles" operating exclusively **intrastate** no longer need to license and display motor carrier fuel decals. These vehicles satisfy their fuel tax liability when they purchase diesel fuel in Michigan.
3. The 6-cents-per-gallon sales tax credit has been eliminated.

These amendments resulted in elimination of Form 3240, *Supplemental Motor Carrier Tax Report*. The primary purpose of this form was to allow Interstate motor carriers to file for a refund of sales tax paid on diesel fuel purchased in Michigan. In addition, interstate motor carriers could use Form 3240 to get a refund of the diesel road privilege tax for diesel fuel consumed in a non-taxable manner.

After April 1, 2003 interstate motor carriers using diesel fuel in a non-taxable manner and desiring a refund of the fuel tax will file Form 680-2, *Claim for Refund of Motor Fuel Tax*.

Contact Information

Phone Numbers

Telephone assistance is available Monday through Friday from 8 a.m. to 5 p.m.

Questions regarding IFTA Fuel Tax:

Licensing: (517) 636-4580

Reporting: (517) 636-4600

Fax: (517) 636-4593

Deaf, hearing, or speech-impaired persons should call (517) 636-4999 (TDD).

Blank forms are available on Treasury's Web site at www.michigan.gov/treasury or by calling (517) 636-4580.

The Taxpayer Advocate's telephone number is (517) 636-4001.

Addresses

Michigan Department of Treasury
Customer Contact Division, Special Taxes Unit
Lansing, Michigan 48922

IFTA fuel tax license applications and fuel tax reports should be mailed to the address printed on the form. All other correspondence may be sent to the above address.

Definitions Motor Carriers Should Know

Account number is one of the following:

- Federal employer identification number (FEIN).
- Social security number of an officer, partner or owner if the company does not have an FEIN.

Treasury issues a TR number if the motor carrier's primary IFTA number is a social security number and the entity does not have an FEIN. TR numbers are primarily for internal use and will **not** show up on the IFTA fuel tax reports. TR numbers will be used for billing purposes if the Department has to issue an assessment for an amount due.

The Department issues an ME number if a motor carrier is filing tax reports for two or more locations and does not want to file a consolidated tax report under the same account number for all locations.

Audit. The physical examination of a licensee's records and source documents to determine if they support the information reported on the tax report.

Base jurisdiction. The member jurisdiction where (1) qualified motor vehicles are based for vehicle registration purposes, (2) operational control and operational records of the licensee's qualified motor vehicles are maintained or can be made available and; (3) some travel is accrued by qualified motor vehicles within the fleet. The commissioners of two or more affected jurisdictions may allow a person to consolidate several fleets that would otherwise be based in two or more jurisdictions.

Cancellation. Annulment of a license and its provisions by either the licensing jurisdiction or the licensee.

Commissioner. Official designated by a jurisdiction to be responsible for administration of the IFTA Agreement.

Fleet. One or more vehicles.

In-jurisdiction distance. Total number of miles or kilometers driven by a licensee's qualified motor vehicles within a jurisdiction. In-jurisdiction distance does not include miles or kilometers of vehicles operated on fuel tax trip permits, or those exempted from fuel taxation by a jurisdiction.

Jurisdiction. A state of the United States of America, the District of Columbia, a province or territory of Canada, or a state of the United Mexican States.

Licensee. A person who holds a valid IFTA license issued by a base jurisdiction.

Motor fuel. All fuels used for generation of power for propulsion of qualified motor vehicles.

Non-qualifying motor vehicle. A vehicle that cannot register with IFTA for fuel tax reporting purposes. Any vehicles operating interstate which do not meet the weight or axle requirements, or recreational vehicles are non-qualifying vehicles. A recreational vehicle is a vehicle used for personal pleasure by an individual and not used in a business endeavor.

Person. An individual, corporation, partnership, association, trust, or other entity.

Qualified motor vehicle. Qualified Motor Vehicle means a motor vehicle used, designed or maintained for transportation of persons or property and, (1) Having two axles and a gross vehicle weight or registered gross vehicle weight exceeding 26,000 pounds or 11,797 kilograms; or (2) Having three or more axles regardless of weight; or (3) Is used in combination, when the weight of such combination exceeds 26,000 pounds or 11,797 kilograms gross

vehicle or registered gross vehicle weight. Qualified motor vehicle does not include recreational vehicles.

Revocation. Withdrawal of the license and privileges by the licensing jurisdiction.

Total distance. All miles and kilometers traveled during the reporting period by every qualified vehicle in the licensee's fleet, regardless of whether the miles or kilometers are considered taxable or non-taxable by a jurisdiction.

IFTA Licensing; Temporary Permits, Trip Permits, Cancellation of License and Quitting Business

IFTA Licensing

Persons operating qualified motor vehicles between IFTA member jurisdictions must have the proper IFTA credentials and these credentials must be renewed annually. A motor carrier is encouraged to apply for their credentials as early as possible. The renewal application must be filed no later than December 31 to ensure timely licensing. Prior year decals may be displayed until the last day of February in the current license year. Credentials consist of a license and one set of fuel decals for each qualified motor vehicle operated between member jurisdictions.

License and Decals: There are no licensing fees for the IFTA fuel tax license and fuel decals issued by this jurisdiction. Michigan issues one license to a motor carrier and it is the responsibility of the motor carrier to make copies of this license and place a copy in the cab of every qualified motor vehicle operating interstate. Decals must be affixed to the exterior portion of both sides of the cab. In the case of transporters, manufacturers, dealers, or drive-away operations, the decals need not be permanently affixed, but may be temporarily displayed in a visible manner on both sides of the cab. Qualified motor vehicles operated by more than one IFTA licensee during the license year may display IFTA decals for each active licensee concurrently.

Michigan's decals have serial numbers but they are not vehicle specific. Motor carriers are encouraged

to order only the number of decal sets they will need. **In case of an audit, the motor carrier must provide a satisfactory explanation as to the use of all decals issued to their account.**

The IFTA fuel tax license and decals are not transferable.

Applications: New licensees must complete Form 2823, *Michigan IFTA Fuel Tax License Application*. **Incomplete applications will be returned to the applicant, which will delay their licensing.**

Complete section 15 of the application to the best of your knowledge. This information will be used to prepare your pre-identified IFTA fuel tax reports.

Applications will not be processed if section 22a and 22b are incomplete; attach additional sheets if necessary. Completion of these sections is necessary because of Michigan's statutory provisions for officer liability.

If a motor carrier had a Michigan IFTA license in the previous year, Treasury will mail them Form 3014, *Renewal Application for Michigan IFTA Fuel Tax License*. This form will be mailed approximately two months before the new license year begins. Motor carriers are encouraged to complete this application and return it as soon as possible to ensure that they have their license and decal sets before the new license year begins. **Incomplete applications will be returned which will delay licensing.**

Motor carriers operating qualified motor vehicles, which are not properly licensed when the new license year begins, will be cited by law enforcement authorities.

Form 3014 can be used to obtain additional fuel decal sets during the license year. Blank forms can be obtained by calling the IFTA fuel tax licensing number or by visiting our web site at www.michigan.gov/treasury.

Temporary Permits: The Department will issue a "Michigan Temporary Permit" to a motor carrier who is already licensed for the tax year. The temporary

permit is used in lieu of a motor carrier's fuel decals until they are received in the mail. A temporary permit is valid for 30 days and is vehicle specific. There is no charge for a temporary permit. This permit must be carried in the vehicle operating under the permit so law enforcement personnel can verify the motor carrier's licensing status.

Trip Permits: Motor carriers who only occasionally travel interstate may find it advantageous to use a trip permit. Under a trip permit, the motor carrier does not have to report the vehicular activity on a tax report. The cost of the trip permit covers the Motor Carrier's liability for the duration of the permit. Trip permit requirements and costs vary from jurisdiction to jurisdiction. It is the responsibility of the motor carrier to determine the trip permit requirements of any jurisdiction in which they intend to operate. You must contact each jurisdiction in which you intend to travel for trip permit information. Contact information for each jurisdiction can be obtained on the IFTA, Inc. Web site at www.iftach.org.

Cancellation of License: If a motor carrier ceases operating his/her interstate "qualified motor vehicles" he/she must cancel the IFTA fuel tax license and return the original license plus all used and unused fuel decal sets to the Department. When the motor carrier files his/her final fuel tax report he/she must check the box labeled cancel license. **Failure to follow this procedure will result in the issuance of computed assessments to the motor carrier's account.**

Quitting Business: If a motor carrier has ceased all business operations, he/she must file Form 163, *Notice of Change or Discontinuance* with Treasury. These forms are available by calling (800)-367-6263 or by visiting our Web Site at www.michigan.gov/treasury

Record Keeping, Fuel Tax Reporting, Regulated Fuel Types, Exempt Vehicles and Buses

Record Keeping

Motor carriers licensed for fuel tax reporting must keep records of mileage (taxable and exempt) and

fuel purchases for each member jurisdiction in which they operate. This information is necessary to prepare the quarterly IFTA fuel tax report. **Failure to keep adequate records is the primary reason motor carriers are assessed large deficiencies in an audit. The IFTA Audit Manual provides for a 4-miles-per-gallon fleet average mileage in the absence of adequate records or other substantial evidence to the contrary.**

Records must be maintained for a period of four years from the due date of the fuel tax report or the date the report was received, whichever is later. Records may be maintained on paper, microfilm, microfiche, digital imaging or other means of storage which have been **approved, in writing**, by Michigan Department of Treasury.

In general, operational records must be made available in the jurisdiction in which a motor carrier is based. If the motor carrier's operational records are not available in the base jurisdiction and the base jurisdiction's auditors must travel to where such records are maintained, the base jurisdiction may require the licensee to pay the base jurisdiction per diem and travel expenses incurred by the auditor(s) in performance of such an audit.

Mileage Records: Total miles reported on the IFTA fuel tax report must include taxable and tax-exempt mileage. Mileage which is exempt from taxation varies from jurisdiction to jurisdiction. Licensees can get exempt mileage information on the IFTA, Inc. Web site at www.iftach.org or by contacting the individual jurisdictions. Motor carriers based in U.S. jurisdictions must report mileage in U.S. measurements.

Mileage conversion table:

One Mile = 1.6093 Kilometers
One Kilometer = 0.62134 Miles

A motor carrier's daily vehicle mileage and fuel report is approved as a mileage source document if properly completed. Trip reports must include the following:

-Date of trip (starting and ending dates).

-Trip origin and destination.

-Routes of travel (list the highway used when leaving and entering the jurisdiction).

-Total trip miles (beginning and ending odometer or hubometer reading by vehicle and by quarter).

-Mileage by jurisdiction (odometer or hubometer readings at each jurisdiction line).

-Power unit number or vehicle identification number (VIN).

-Fleet number to which vehicle is assigned.

-Motor carrier fuel tax licensee's name.

Fuel Purchase Records: A motor carrier must have adequate records to support their tax-paid fuel credit on the IFTA fuel tax report. If tax-paid documentation is unavailable, all claims for tax-paid fuel will be disallowed. Motor carriers based in U.S. jurisdictions must report fuel quantities in U.S. measurements.

Quantity Conversion Table:

One Gallon	=	3.785 Liters
One Liter	=	0.2642 Gallons

On the Road Purchases of Fuel Into Qualified Motor Vehicles: It is very important to obtain a properly prepared invoice from the fuel vendor. Fuel receipts which do not meet the following standards may be disallowed as tax-paid credits in an audit. The standards are:

- Date of purchase.
- Seller's name and address.
- Number of gallons or liters purchased.
- Fuel type purchased.
- Fuel tax paid per gallon or liter.
- Price per gallon or liter or total amount of sale.
- Base plate number of vehicle being fueled and the two-letter designation of the jurisdiction that issued the fuel decals. For example, the two-letter designation for Michigan is (MI), Ohio (OH) and Ontario (ON).
- Purchaser's name. In an equipment lease agree-

ment fuel receipts can be in the name of either party, provided a legal connection can be made between the reporting party and the other party.

i. Fuel purchases must be supported with original receipts or invoices, credit card receipts or microfilm or micro fiche images of receipts or images of receipts created by a method approved by the Department.

The Department will not accept altered or erased receipts to support a claim of tax paid purchases.

In addition, motor carriers who have bulk storage facilities in the State of Michigan must maintain bulk storage withdrawal records which contain the following information:

1. Date of withdrawal from storage.
2. Number of gallons withdrawn.
3. Fuel type withdrawn. Each fuel type must be accounted for in the motor carrier's records.
4. a. If the vehicle being fueled is a **qualified motor vehicle**, the unit number or base plate number of the vehicle being fueled and the two-letter designation of the jurisdiction that issued the fuel decals must appear in the records.
- b. If the vehicle being fueled is **not a qualified motor vehicle**, the unit number of the vehicle or base plate number will suffice for the records.

Michigan's IFTA audit staff will not allow a credit for fuel purchases without a valid purchase receipt. In addition, disbursements from bulk storage facilities must be supported by adequate withdrawal records.

Fuel Tax Reporting

New licensees will receive pre-identified fuel tax report forms based on information provided on the original application (Form 2823, *Michigan IFTA Fuel Tax License Application*). Motor carriers licensed previously will receive pre-identified fuel tax report forms based on their prior activity.

A motor carrier's fuel tax report consists of a cover sheet (IFTA-100), schedules (IFTA-101) and a rate chart (IFTA-105).

If a jurisdiction is listed on the IFTA-101 that a motor carrier did not operate in, leave the fields blank. If a motor carrier operated in a jurisdiction(s) that is

not pre-identified on the IFTA-101, record that jurisdiction(s) information on the form.

Regulated Fuel Types: Fuel types regulated under IFTA vary from jurisdiction to jurisdiction. Michigan only requires reporting of diesel fuel consumed in this jurisdiction on the IFTA fuel tax report. However, Michigan does collect the fuel tax for other jurisdictions. If a motor carrier based in this jurisdiction consumes a fuel type in a jurisdiction that regulates that fuel type under IFTA, it must be reported. Fuel types currently regulated by IFTA jurisdictions and required to be reported on the IFTA fuel tax report are as follows:

Diesel
Motor Fuel Gasoline
Ethanol
Propane (LPG)
Natural Gas (CNG)
A-55
E-85
M-85
Gasohol
LNG
Methanol

Exempt Vehicles: Michigan exempts from regulation under the Motor Carrier Fuel Tax Act vehicles owned by this state, a political subdivision of this state, or the federal government; or a qualified motor vehicle owned by or leased and operated by a non-profit private, parochial, or denominational, school, college, or university; or a public school, college, or university.

The above vehicles may not be exempt from fuel taxes in other jurisdictions. Therefore, when these vehicles operate between Michigan and another IFTA jurisdiction the motor carrier will need to contact the other jurisdiction as to their requirements.

Buses: Michigan does **not** exempt from fuel tax vehicles which transport 10 or more passengers and operate under a certificate of authority or other qualifying certificates. These vehicles are commonly referred to as buses and while they are not exempt from Michigan's fuel tax, their in-state and out-state activ-

ity determines what portion of the Michigan fuel tax they paid is refundable. Michigan refunds the fuel tax on all tax-paid gallons of fuel acquired and consumed in this jurisdiction. Tax-paid fuel acquired in Michigan and consumed elsewhere is not refundable. Call or write to the Customer Contact Division, Special Taxes Unit for advice in this area.

Payment of Tax, Late Payment Penalty and Interest, Refunds and Assessments, Appeal Rights, License Revocation and License Reinstatement

Payment of Tax

The quarterly fuel tax reports are due on the last day of the month following the end of the quarter. Reports are due as follows:

1 st Quarter	April 30
2 nd Quarter	July 31
3 rd Quarter	October 31
4 th Quarter	January 31

If the due date falls on a Saturday, Sunday or legal holiday, the report is due the next business day.

A fuel tax report is considered timely filed if the envelope the fuel tax report was mailed in is **metered by or canceled by the U.S. Postal Service or the Canadian Post or Delivery Service**. The Department does not recognize metered postage placed on the envelope by the motor carrier as proof of timely filing.

Late Payment Penalty and Interest

Motor carriers must file fuel tax reports timely to avoid late payment penalty and interest charges.

The IFTA Articles of Agreement provide for a late payment penalty in the amount of \$50 or 10 percent of the tax due, whichever is greater.

In addition, Michigan's Revenue Act provides for a failure to pay penalty. Section 24 states, "Except as provided in subsections(3) and (6), if a taxpayer fails or refuses to file a return or pay a tax within the time specified for notices of intent to assess issued after February 28, 2003, a penalty of 5 percent of the tax

shall be added if the failure is for not more than 2 months, with an additional 5 percent penalty for each additional month or fraction of month during which the failure continues or the tax and penalty is not paid, to a maximum of 25 percent." **Prior to February 28, 2003 the maximum penalty charge was 50 percent.**

Interest is charged at 1 percent per month or portion of a month. The annual rate is 12 percent.

Refunds and Assessments

If the Department discovers an error on a fuel tax report which results in an additional credit, the credit may be applied to any existing liabilities. If not, it will be carried forward or refunded.

If the Department discovers an error which results in additional tax due and no credits are available, a billing letter will be issued.

Appeal Rights

If the motor carrier does not agree with an intent to assess, reduction in refund, or denial of refund, he/she has 30 days from the date of notification to request an informal conference.

If the Office of Hearings grants an informal conference, the motor carrier will be notified of the time and place of the conference.

If the motor carrier fails to request an informal conference within the 30-day time limit, the Motor Carrier has 35 days from the date of final assessment or decision to appeal to the Michigan Tax Tribunal or 90 days to appeal to the Court of Claims. Any uncontested portion of the final assessment or decision shall be paid as a prerequisite to appeal.

License Revocation

If a motor carrier fails to file timely fuel tax reports and make full payment of the amount due, the Department may schedule a "show cause" hearing concerning the Motor Carrier's continued licensing as an IFTA motor carrier. The motor carrier will be provided with a written notice, sent certified mail, of the time and place of the "show cause" hearing. Failure to appear at the hearing or remedy the cause for

the hearing will result in immediate revocation of the motor carrier's fuel tax license. The Department will notify motor carrier enforcement personnel and other IFTA jurisdictions of the revocation.

Once a motor carrier's license has been revoked, it is illegal for the motor carrier or the Motor Carrier's representative to operate qualified motor vehicles in any IFTA jurisdiction.

If a motor carrier operates vehicles on a revoked fuel tax license, motor carrier enforcement personnel will take the vehicles out of service. The vehicles will remain out of service until such time as the motor carrier remedies the cause for revocation or other legal remedies are made.

License Reinstatement

If a motor carrier satisfies the requirements for reinstatement of the IFTA fuel tax license, the Department may reinstate the license. The Department will provide the motor carrier with written notice of reinstatement. It is the responsibility of the motor carrier to carry a copy of this reinstatement letter in the cab of each of the qualified motor vehicles as proof of reinstatement. This letter must be shown to motor carrier enforcement personnel as proof of reinstatement. Failure to do this may result in the vehicle being taken out of service unnecessarily. The Department will notify motor carrier enforcement personnel and other IFTA jurisdictions of the reinstatement but this can take several days.

A motor carrier whose license has been revoked and reinstated will be provided a letter from the Department. This letter will outline conditions which must be met for continued licensing as an IFTA motor carrier and will be sent by certified mail. If the motor carrier violates the conditions listed in the letter the IFTA fuel tax license will be immediately revoked, without further benefit of a "show cause" hearing.

If a motor carrier continues to violate the statutes the Department is under no obligation to reinstate the fuel tax license. A motor carrier revoked by one IFTA jurisdiction cannot be licensed by another IFTA jurisdiction until such time as the cause for revocation is remedied in the revoking jurisdiction.

Field Audits

The Department will make every effort to notify an IFTA motor carrier at least 30 days before the beginning of an IFTA audit. The only time advance notice may not be possible is if it is deemed that a delay would jeopardize the collection of tax. A motor carrier should make every effort to have all records available at the beginning of the audit. This will enable Treasury audit staff to expedite the audit with as little inconvenience to the motor carrier as possible. Treasury audit staff will make every effort to keep the motor carrier informed of any adverse findings during the course of the audit.

When the audit is complete, a final conference will be held to explain the findings and recommendations.

Bankruptcy and Bonding

Bankruptcy

If a motor carrier files bankruptcy, he/she must send a copy of the order or notice of bankruptcy to the Customer Contact Division, Special Taxes Unit.

Bonding

Bonding may be required as a condition of licensing or continued licensing. Bonding may be in the form of a surety bond, cash bond or other instrument approved by the Department. Examples of circumstances which may require bonding are: late filing of IFTA fuel tax reports; late payment of tax, penalty and interest; or failure to demonstrate sound financial standing which requires that the interests of participating IFTA jurisdictions be protected.

If a motor carrier is required to post a bond, the Department will notify the Motor Carrier, in writing, of the required amount.

Frequently Asked Questions (?)

1. Q: How long will it take to get my decals through the mail?

A: Allow 30 days for delivery when ordering through the mail.

2. Q: What are the IFTA licensing and decal fees in Michigan?

A: Michigan does not charge a fee for IFTA licensing and decals.

3. Q: Can I license my Michigan intrastate qualified motor vehicles under IFTA?

A: NO. Intrastate qualified motor vehicles do not qualify for licensing as they do not operate between two member jurisdictions. In addition, recent law changes make it possible for intrastate qualified motor vehicles to satisfy their fuel tax liability when they purchase fuel. Michigan has eliminated intrastate motor carrier licensing.

4. Q: How much is Michigan's surcharge on diesel fuel?

A: Michigan no longer has a surcharge on diesel fuel consumed in qualified motor vehicles. In the Michigan column of the motor carrier's IFTA-101, only one tax rate will be recorded for periods starting April 1, 2003.

5. Q: What does the term 'taxable gallons' mean on the IFTA-101?

A: Taxable gallons means the number of gallons a motor carrier consumes in the operation of qualified motor vehicles in a jurisdiction, in an activity that is not exempt from taxation by the jurisdiction.

6. Q: What does the term "tax-paid gallons" mean on the IFTA-101?

A: Tax-paid gallons means the number of gallons a motor carrier purchased in a jurisdiction where they paid the jurisdiction's fuel tax at time of purchase.

7. Q: How do I file for my sales tax credit for sales tax paid when purchasing diesel fuel in Michigan?

A: Beginning on April 1, 2003 a sales tax credit is no longer available for sales tax paid when purchasing diesel fuel into a qualified motor vehicle in Michigan.

For quarters prior to the second quarter 2003 a motor carrier must file Form 3240, *Supplemental Motor Carrier Tax Report*, for their credit.

8. Q: Do I have to file the quarterly IFTA fuel tax report if I had no activity during the quarter?

A: Yes. Motor carriers have to file the quarterly fuel tax report even if they have no activity. Check the box that indicates no activity in any jurisdiction on the IFTA-101. **Failure to file will result in the issuance of computed assessments against their accounts.**

9. Q: What does the term 'total IFTA miles' mean on the IFTA-101?

A: This term means all miles traveled by qualified motor vehicles in all IFTA jurisdictions. This figure will include any miles exempt from taxation by the individual jurisdictions.

10. Q: If I sell my qualified motor vehicle can I transfer my IFTA decals to the new owner?

A: NO. A motor carrier's IFTA license and fuel decals are not transferable. The new owner must license the vehicle under his/her name and account number.

For a complete list of frequently asked questions, visit Treasury's Web site at www.michigan.gov/treasury.